

JOHN McCAIN, ARIZONA, CHAIRMAN

TED STEVENS, ALASKA
CONRAD BURNS, MONTANA
TRENT LOTT, MISSISSIPPI
KAY BAILEY HUTCHISON, TEXAS
OLYMPIA J. SNOWE, MAINE
SAM BROWNBACK, KANSAS
GORDON SMITH, OREGON
PETER G. FITZGERALD, ILLINOIS
JOHN ENSIGN, NEVADA
GEORGE ALLEN, VIRGINIA
JOHN E. SUNUNU, NEW HAMPSHIRE

ERNEST F. HOLLINGS, SOUTH CAROLINA
DANIEL K. INOUE, HAWAII
JOHN D. ROCKEFELLER IV, WEST VIRGINIA
JOHN F. KERRY, MASSACHUSETTS
JOHN B. BREAU, LOUISIANA
BYRON L. DORGAN, NORTH DAKOTA
RON WYDEN, OREGON
BARBARA BOXER, CALIFORNIA
BILL NELSON, FLORIDA
MARIA CANTWELL, WASHINGTON
FRANK LAUTENBERG, NEW JERSEY

JEANNE BUMPUS, REPUBLICAN STAFF DIRECTOR AND GENERAL COUNSEL
KEVIN D. KAYES, DEMOCRATIC STAFF DIRECTOR AND CHIEF COUNSEL

United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

March 4, 2004

Dear Colleague:

As we begin debate on S. 1637, I want to focus our attention on two provisions. The first, Title II, provides a number of tax breaks for the overseas operations of U.S. multinational companies. The other is the tax break for domestic manufacturers which is not fully phased in until 2009.

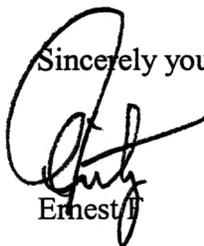
When we begin debate on S. 1637, I will attempt to correct this inequity by offering an amendment that will eliminate the tax breaks for overseas investment by striking Title II. Instead, my amendment will use the savings from eliminating these provisions to provide a full manufacturing tax cut of 9 percent annually, effective October 1, 2004. Striking Title II will raise \$37 billion, while speeding up the domestic incentives will cost \$19 billion. Therefore, this amendment more than pays for itself.

The U.S. manufacturing community is in crisis. To provide monies to encourage overseas investment by multinationals is unconscionable. Please join me in removing these provisions and in providing effective relief to U.S. manufacturers.

Should you wish to co-sponsor this amendment or have any questions please contact Gregg Elias 4-0742.

With kindest personal regards, I am

Sincerely yours,



Ernest F.